

**PROPOSED JURY INSTRUCTION NO. 48**

**BAD FAITH — LEGITIMATE DISPUTE**

Insurers are free to make legitimate business decisions regarding payments of claims, as long as they act reasonably and deal fairly with their insureds. A simple mistake or error does not constitute bad faith. An insurer's denial of coverage, withholding of payment, or delaying payment is not unreasonable or in bad faith when a legitimate dispute exists regarding coverage or the interpretation of the policy's terms, provided that the insurer's actions were reasonable in light of the relevant information available to it at the time the decision was made. The critical question is whether the insurer had a good faith belief, at the time its performance was requested, that it had a justifiable reason for withholding or delaying payment under the policy.

Given

Refused

Modified

Authority: *Ball v. Wilshire Ins. Co.*, 2009 OK 38, ¶ 22, 221 P.3d 717, 725; *Ameen v. Prudential Prop. & Cas. Ins. Co.*, 2005 OK CIV APP 23, ¶¶ 16-17, 110 P.3d 86, 90; *Oulds v. Principal Mut. Life Ins. Co.*, 6 F.3d 1431, 1436 (10th Cir.1993); *Roesler v. TIG Ins. Co.*, 251 F. App'x 489, 506 (10th Cir. 2007); *A Smith v. Am. Nat'l Prop. & Cas. Co.*, 508 F. Supp. 3d 1048, 1071 (N.D. Okla. 2020), reconsideration denied, 2021 WL 5114308 (N.D. Okla. May 7, 2021)